



DEPARTMENT OF ECONOMIC DEVELOPMENT

Isiah Leggett
County Executive

Steven A. Silverman
Director

June 23, 2010

Dear Colleague:

As you may know, in March of this year, the Montgomery County Council enacted legislation requested by County Executive Leggett and Councilmember Mike Knapp that authorizes the County to provide a local supplement to the State of Maryland's biotechnology investment tax credit program. Subject to an appropriation by the County Council, investors that have received tax credits under the State program and that have invested in a company that has its headquarters and base of operations in Montgomery County are eligible for a 'piggyback' tax credit from the County.

We are hopeful that funding for the program will be available in January 2011. If so, investors in Montgomery County companies who have received final tax credit certification from the State for FY 11 (which begins July 1st) will be eligible to submit an application for a Montgomery County supplement. Supplements will be allocated proportionally among eligible certified investors based on available funding, up to a maximum of 50 percent of the State credit. No single company will be able to claim more than 15 percent of the total County funding commitment.

If program monies are not available in January 2011, the County Executive intends to include funding for the program in his FY12 budget request.

Montgomery County is the first local jurisdiction in the U.S. to have created a local tax credit to incentivize investment in our vibrant biotechnology industry¹. We look forward to launching this important new initiative.

Sincerely,

Steven A. Silverman
Director

¹ Based on information from BIO.